

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 07948 060638Z

13

ACTION AGR-08

INFO OCT-01 EA-06 ISO-00 EB-07 COME-00 TRSE-00 CIAE-00

INR-05 NSAE-00 RSC-01 EUR-12 ARA-06 SWF-01 IO-10

AID-05 SAM-01 SAJ-01 SS-15 NSC-05 L-02 H-01 NIC-01

OMB-01 /089 W

----- 101953

R 060519Z DEC 74

FM AMEMBASSY CANBERRA

TO AMCONSUL HONG KONG

INFO SECSTATE WASHDC 4630

AMEMBASSY BUENOS AIRES

AMEMBASSY OTTAWA

LIMITED OFFICIAL USE CANBERRA 7948

DEPT FOR AGRICULTURE

FOR AG. OFFICER AND ATTACHES

E.O. 11652: N/A

TAGS: EAGR, ETRD, CH, AR, AS, CA

SUBJECT: GRAIN EXPORTS TO PRC, CY 1974 AND 1975

REF: HONG KONG 13159(NOTAL)

1. AT REQUEST PRC ORIGINALLY SCHEDULED VISIT OF AUST. WHEAT BOARD (AWB) DELEGATION TO PEKING FOR OCTOBER/ NOVEMBER WAS CANCELLED. REASON FOR POSTPONEMENT WAS CONGESTION IN PORTS, STORAGE PROBLEMS, AND GOOD PRC CROP JUST HARVESTED, ALTHOUGH AWB REPRESENTATIVE ATTENDING AUSTRALIAN TRADE FAIR IN PEKING HAD HEARD RUMORS THAT FOREIGN EXCHANGE SHORTAGE ALSO A FACTOR.

2. AWB HAS LONG TERM AGREEMENT WITH PRC PROVIDING FOR SHIPMENT OF MINIMUM OF 1.5 AND MAXIMUM OF 1.8 MILLION METRIC TONS OF WHEAT DURING CALENDAR YEAR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 07948 060638Z

1975. HOWEVER, AT TIME PEKING VISIT WAS POSTPONED

PRC REQUESTED CHANGE IN AGREEMENT YEAR TO APRIL/MARCH INSTEAD OF CY, TO WHICH AWB AGREED. DELIVERIES DURING CY 1974 WILL PROBABLY SLIGHTLY EXCEED 1.3 MILLION TONS. ACTUAL SHIPMENTS JAN. 1 THROUGH NOVEMBER 23 TOTALLED 1.134 MILLION TONS, AND VESSEL CARRYING ABOUT 22,000 TONS DEPARTED NOV. 30. AN ADDITIONAL 115,000 TONS ARE LIKELY TO BE SHIPPED IN DECEMBER. HOWEVER, WITH ADDITIONAL 600,000 TON IN JULY CONTRACT THIS YEAR, APPROXIMATELY 715,000 TONS ARE SCHEDULED FOR SHIPMENT DECEMBER 1 TO MARCH 30, 1975 (600,000 TONS JAN/MARCH). ON ASSUMPTION THAT SHIPMENTS DURING 9 MONTHS APRIL/DECEMBER WILL EQUAL ABOUT 9/12 OF AGREEMENT LEVEL OR 1.238 MILLION TONS, TOTAL SHIPMENTS DURING CY 1975 COULD REACH 1.84 MILLION TONS. HOWEVER, THIS IS PROBABLY OVEROPTIMISTIC AND A LEVEL OF 1.5 SEEMS MORE LIKELY. CONTRACTS USUALLY PLUS OR MINUS 10 PERCENT, AND PRC MAY OPT FOR LOWER LEVEL, PARTICULARLY IF ASKED BY GOA IN ORDER TO MAKE ADDITIONAL WHEAT AVAILABLE FOR AID TO MEET WORLD FOOD CONFERENCE COMMITMENT.

3. AWB DOES NOT DISCLOSE PRICES FOR PRC, BUT ON BASIS RECENT F.O.B. PRICE OF A156 DOLS PER METRIC TONS CURRENT RATE PROBABLY SOMEWHERE AROUND A150 DOLS WHEN MAKING ALLOWANCE FOR PROPORTION OF LOWER PRICED OFF-GRADE. AWB REDUCED F.O.B. EXPORT PRICE FOR AUSTRALIAN STANDARD WHITE TODAY BY A2 DOLS. PER TON TO A154 DOLS. IN LINE DOWNWARD MOVEMENT IN US PRICE.

4. AS MATTER OF INTEREST RE KOREA AWB CONTRACT TOLD AGATTACHE OFFICE RECENTLY THAT NORTH KOREA IS NOW EXTREMELY SHORT OF FOREIGN EXCHANGE. AUSTRALIAN WHEAT TRADE NORMALLY HANDLED THROUGH INTERNATIONAL GRAIN TRADERS, AND THESE MUST PURCHASE WHEAT FROM AWB FOR CASH. HOWEVER, UNDER PRESENT CIRCUMSTANCES TRADERS ARE EXTREMELY RELUCTANT TO EXTEND CREDIT TO NORTH KOREA AND NO AUSTRALIAN WHEAT LIKELY TO BE SHIPPED TO THIS DESTINATION IN NEAR FUTURE.
SIMPSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GRAINS, EXPORT DATA, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CANBER07948
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740354-0157
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741255/aaaabvhq.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: HONG KONG 13159(NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2002 by boyleja>; APPROVED <23-Aug-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GRAIN EXPORTS TO PRC, CY 1974 AND 1975
TAGS: EAGR, ETRD, CH, AR, AS, CA
To: HONG KONG
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005